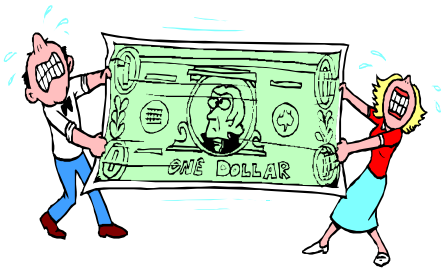
South Carolina Department of Consumer Affairs

STRETCHING YOUR ENERGY DOLLARS



The Savvy Consumer's Guide to

ENERGY CONSERVATION TIPS THAT SAVE MONEY

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Why are my energy bills so high?

The steep increases in the price of natural gas this winter have caused a great deal of concern for consumers across the entire nation. These increases have led to higher heating bills for all and the possibility that some will have to choose between heating their home, or buying other necessities. The reason for these price increases is the result of a low supply of natural gas meeting the highest demand in years.

Natural gas is a commodity subject to the laws of supply and demand. When supplies are low and demand is high, the prices for commodities rise. During 1998 and 1999, there was a surplus of natural gas supplies. Combined with lower demands brought on by milder winters, the average commodity trading price of gas was only about $0.16 per therm in September of 1998. This low price caused many drillers to scale back their operations and shut down wells until prices were more favorable. During 1999, demand began to increase for natural gas as a fuel used to run generators to produce electricity. Federal clean air laws enacted in recent years have made natural gas a more attractive fuel for electric utilities to use for generation. Although it is more expensive than coal or other fossil fuels, its clean burning characteristic means that utilities don't have to install the costly pollution control equipment that is necessary with coal burning generators. New natural gas burning generators coming on line put increased demands on the supply of natural gas.

With the cold weather that started in the fall of 2000, the supply of natural gas was further reduced. Therefore, prices began to rise sharply. By December, the average commodity trading price of gas was more than $0.80 per therm on the New York Mercantile Exchange (NYMEX). Although gas exploration and development has increased significantly in the past year, the response to the increased drilling for gas has yet to be fully reflected in sufficient additional supplies to affect prices. This is because of the 6-to-18 month lag time between the time of initial drilling and when additional production is brought to the market. Natural gas prices are expected to continue at levels much higher than last year through this winter, before coming back down after the heating season. Natural gas companies like Piedmont Natural Gas Company and South Carolina Electric & Gas Company (SCE&G) have been forced to seek permission from the Public Service Commission to pass these price increases along to their customers. The Commission and the companies have stated that they will continue to monitor the market and reduce prices to consumers as soon as commodity prices fall.

Even though these companies pass the cost of gas on to their customers without mark up, each company expects a rise of 30-50% in their customers' natural gas bills for the 2000-2001 winter. The companies are offering budget billing payment plans and programs that provide payment assistance to their customers. Both utilities are encouraging their customers to use energy wisely to reduce consumption. Their web sites, www.sceg.com and www.piedmontng.com, respectively, list several energy saving suggestions for consumers. Most are free or can be undertaken at minimal cost. The following list is a small sample of the tips they suggest.

How Can I Lower My Bill?

1. Set your thermostat between 65 and 68 degrees during the winter. During sleeping hours, or if you will be away from home more than four hours, set the thermostat five to ten degrees lower. You can reduce your heating costs by about 5% for each degree that you lower your thermostat. Do not lower the temperature of your house if you are ill, elderly or have infants in your home.

2. If you have a heat pump, equip your system with a programmable thermostat, preferably one with "intelligent recovery" to maximize savings and comfort.

3. On sunny winter days, let the sun help warm your house by opening your shades and drapes, especially on windows that face east, west or south. Window curtains facing north should be kept closed. Keep curtains and shades shut at night or on cloudy days. This helps keep heat from escaping. Dry your clothes outdoors on sunny days.

4. Use your range exhaust fan as little as possible during the winter if it is vented to the outdoors. In addition to cooking odors, the fan removes a lot of your home's heat.

5 Lower the thermostat setting on your water heater to 120°. Some dishwashers require a setting of 140°. Check your owner's manual before lowering the setting.

6. If you have a gas water heater, remember to set it on pilot whenever you are gone for two days or more. If you have an electric water heater, turn it off. Insulate your ELECTRIC water heater. DO NOT insulate gas water heaters. It is hazardous. Insulate the pipe leading from your water heater.

7. A fire needs a lot of air to burn. It can draw much of the heated air in your home right up the chimney. To counteract this, turn your central heat down and slightly open the window closest to the fireplace to provide air for the fire. Keep your fireplace dampers closed when there is no fire in the fireplace.

8. In rooms with particularly hot spots (e.g., rooms with a wood stove) reversible ceiling fans can help circulate the warmer air.

9. Insulate ducts and hot water pipes that pass through unheated areas of your home like the garage, basement and attic. Stuff insulation into any gaps where pipes and ducts enter your living space from unheated portions of your home. Add insulation a little bit at a time whenever possible. Eventually you will have improved your entire home.

10. Keep your heating and air conditioning system filters clean. When they are dirty or clogged, your heating and air conditioning systems work harder and that requires more energy. Change

or clean the filters in your heating and cooling units twice a year. Dust or vacuum ducts, registers, radiators and refrigerator coils regularly and bleed air from hot water radiators periodically.

11. If you have a gas furnace, make sure there is a good supply of outside air available so that the gas burns efficiently and safely. If you have a hot water or steam system, use a radiator key (available at hardware stores) to bleed the radiator to remove air that reduces the radiator's efficiency. Place aluminum foil reflectors behind radiators to reflect heat back into the room.

12. Do not heat or cool unused space in your home. Close vents and doors in unused rooms. Keep windows and doors closed to prevent heated or cooled air from escaping. Keep closet doors closed. Clothes or stored items don't need to be heated or cooled. Do not close more than 20% of the registers in your home. This may interfere with the operation of the cental heating/cooling system. Do not block return air vents.

13. Make sure that your thermostat is located on an interior wall. Keep sources of heat (lamps, stereos, televisions, etc.) away from the thermostat. They will interfere with its ability to measure room temperature accurately. Clean your thermostat yearly. Remove its cover and blow away the accumulated dust. Replace your thermostat with one of the newer clock models that automatically lower the temperature at bedtime and raise it in the morning.

15. Turn off all lights, televisions, radios, computers and appliances when not in use.

16. Use low-wattage light bulbs and replace incandescent bulbs with flourescent ones whenever possible.

17. Caulk around windows, outside doors, baseboards, exhaust fans, dryer vents, places where pipes and wires enter the house and where the walls meet the foundation. In places where your old caulk has deteriorated, recaulk to make an airtight seal. Install insulating gadgets in electrical outlets or switches on outside walls.

18. Make storm windows out of sheets of plastic. Use plastic at least 6-mil. thick. Stretch the plastic as tightly as possible to minimize air movement between the plastic and the window glass. Use insulated or heavy curtains, especially on windows facing north. Put up thermal shades or shutters.

19. Weatherstrip doors and windows including closet doors. If there is a gap at the bottom of the door attach a door sweep, doorshoes or insulating thresholds. Weatherstrip any interior doors that lead to such places as the garage, basement or attic.

20. Take showers instead of baths. A shower saves four to five gallons of water. Don't let hot

water run constantly while shaving or brushing your teeth. Install a flow restrictor on your shower. For less than one dollar the restrictor can cut the cost of taking a shower in half by cutting the flow of water virtually in half.

21. Run your dishwasher with full loads only. Run your garbage disposal with cold water only.

22. Preheat your oven as little as possible. If you are baking a cake, pie, soufflé or other food that requires immediate heat, preheat for 10 minutes only. Partially thaw frozen foods in the refrigerator before cooking them. Thawing can reduce the recommended cooking time by 30%.

23. Don't open the oven door to check on food while it's cooking. Every time you open it, 25% of the oven's heat is wasted. Turn off the oven about 15 to 20 minutes before the end of cooking time. The leftover heat will finish the job, IF you don't open the oven door.

24. Run your washing machine with full loads only. Use warm or cold water for washing clothes whenever possible. Always rinse with cold water.

25. Clean your dryer's lint filter before drying each load. A clogged filter makes the dryer work harder and uses more energy to get clothes dry. Clean the dryer drum periodically to remove lint.